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PP RUEHWEB

DE RUEHCV #0204 0502043
ZNY CCCCC ZZH
P 192043Z FEB 08
FM AMEMBASSY CARACAS
TO RUEHC/SECSTATE WASHDC PRIORITY 0620
INFO RUEHBO/AMEMBASSY BOGOTA 7691
RUEHLP/AMEMBASSY LA PAZ FEB LIMA 0957
RUEHSK/AMEMBASSY MINSK 0024
RUEHQT/AMEMBASSY QUITO 2771
RHEHNSC/NSC WASHDC
RUMIAAA/HQ USSOUTHCOM MIAMI FL
RUCPDOG/DEPT OF COMMERCE
RUEATRS/DEPT OF TREASURY

C O N F I D E N T I A L CARACAS 000204

SIPDIS

SIPDIS

HQ SOUTHCOM ALSO FOR POLAD
TREASURY FOR MMALLOY AND PASS FINCEN
NSC FOR JCARDENAS AND JSHRIER
COMMERCE FOR 4431/MAC/WH/MCAMERON

E.O. 12958: DECL: 02/15/2018
TAGS: [EFIN](#) [KCRM](#) [IR](#) [BO](#) [VE](#)
SUBJECT: NATIONAL ASSEMBLY APPROVES CREATION OF BINATIONAL
IRANIAN-VENEZUELAN BANK

REF: A. CARACAS 186
[1](#)B. 2007 CARACAS 2212

Classified By: Economic Counselor Andrew N. Bowen for reasons 1.4 (b) a
nd (d).

[1](#)1. (U) On February 14 the National Assembly approved three laws ratifying agreements with Iran and five ratifying agreements with Belarus. The Iranian agreements include a pact to create the Iranian-Venezuelan Binational Bank that was signed in Tehran on November 19, 2007; a binational development fund; and a memorandum of understanding on agricultural cooperation. The Belarus agreements provide for cooperation in areas including economy and commerce; investment promotion and protection; education; and fighting crime. These laws become official once signed by President Chavez and published in the Official Gazette. According to press reports at the time, the agreements on the binational bank and binational development fund were signed during Chavez' visit to Iran following the November 2007 OPEC summit (ref B).

[1](#)2. (C) Comment: While details are sparse, the prospect of a Venezuelan-Iranian bank is troubling from several points of view. One local contact with extensive experience in the financial sector expressed her deep concern that financial ties between the two countries could deepen with this agreement. She further speculated that PDVSA might try to move some of its accounts to Iran or Belarus to evade any further freezing of assets related to its dispute with Exxon-Mobil (ref A). End comment.
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